

APPENDIX " "

⁴² The Government in releasing some of the following documents, deleted some language. Where this has occurred, the word "deletion" appears in quotes.



APPENDIX J

App. 1

OMIC TO	DISTRIBUTION	CYL TO	U. S. POSTAL SERVICE CHIEF INSPECTOR'S DEPARTMENT	REPORT OF POSTAL INSPECTOR	
<input checked="" type="checkbox"/>	Chief Inspector	<input checked="" type="checkbox"/>	TYPE OF REPORT	OFFICE	CLASS, REFERENCES
	Operations, OMD/PAB		<input checked="" type="checkbox"/> PRELIM <input type="checkbox"/> FINAL	CHICAGO, ILLINOIS	
	Operations, Maint. Div.		<input type="checkbox"/> SPECIAL <input type="checkbox"/> SUPPLE- MENTAL	DATE	CASE NO.
	Finance & Admin., OMC			August 31, 1973	275-11254-F
	General Counsel, Claims		SUBJECT		
	Money Order Division		MISCELLANEOUS (BRIEF)		
	Regional Director		ALLEGED VIOLATORS: UNKNOWN STATE LEGISLATORS		
	Regional Counsel		ELECTRONIC SURVEILLANCE - REFERRAL TO CHIEF INSPECTOR, ORGANIZED CRIME DIVISION		
	Postal Data Center		LIMITED OFFICIAL USE		
<input checked="" type="checkbox"/>	Central Region	<input checked="" type="checkbox"/>			
<input checked="" type="checkbox"/>	File	<input checked="" type="checkbox"/>			
DATE	INITIALS	POSTAL INSPECTOR:			
SEP 4 1973	<i>[Handwritten initials]</i>	E. D. Kell	rcf		

POSTAL INSPECTOR IN CHARGE	Chicago, Illinois 60607
<p>1. Personal attention has been given this case at Chicago, IL on various dates since July 30, 1973. Basis for this investigation is the request by Mr. Samuel K. Skinner, Chief Special Investigation Unit, United States Attorney's Office, Chicago, IL, to Mr. H. J. McGee, Chief Regional Postal Inspector, Central Region, Chicago, IL, through the Inspector in Charge at Chicago, IL.</p> <p>2. The investigation to date indicates that approximately 20 ready mix and cement companies in the state of Illinois contributed monies in two separate slush funds of \$50,000.00 and \$30,000.00, respectively, to influence and bribe various State Senators and Representatives to pass into law House Bill 4176, 1972 Session, which would provide Truck Weight Relief to these companies. House Bill 4176 related to allowing larger cement trucks to carry larger loads to and from construction sites.</p> <p>3. As of this date, grants of immunity have been issued to MATERIAL SERVICE COMPANY, 300 W. Washington, Chicago, IL, and several employees of Material Service Company. Those immunized consist of several collectors for the fund, several employees of Material Service who authorized participation in the fund, and the intermediary between the legislators and Material Service, JAMES McBRIDE, a Material Service employee. McBride has been interviewed by Postal Inspectors E. W. Greenan, J. A. Charlton, and E. D. Kell on two occasions since August 16, 1973.</p> <p style="text-align: center;">• • •</p> <p style="text-align: center;">LIMITED OFFICIAL USE</p>	

4. On August 28, 1973 Assistant United States Attorneys Samuel Skinner and Howard Stone and Inspector K. D. Kell visited Mr. Pappas at his home at 405 Blodgett, Lake Bluff, IL. Mr. Pappas was advised of his Constitutional Rights, and was informed of the ongoing investigation. He was served with two subpoenas,

~~(Deleted by the Court)~~

"Deletion"

6. Assistant Inspector in Charge G. E. Head, Chicago, IL was advised of the background of this matter, and a request was made upon him to authorize the interception of the telephone call. Inspector Head requested Mr. McBride's address and telephone number which were ~~REDACTED~~ home telephone number: "Deletion". He stated that he would secure a telephone recorder and advise the Inspector in Charge for proper authorization.

7. Upon arriving at Mr. McBride's residence in Westchester, IL, Inspector Kell and Assistant United States Attorney Stone recognized a car which was similar to the one in Mr. Pappas' driveway the night before. A telephone call was placed to Mr. McBride, and he advised that he had company and would not be able to see us at this time. Surveillance was set up on the residence, and approximately 45 minutes later Mr. Pappas left the residence and departed in a late model white Buick, License Number Illinois NR 3137. Mr. McBride

Chicago, Illinois

-3-

Case No. 275-11254-F

was then interviewed and revealed that Pappas made no attempts to influence or obstruct him from testifying truthfully. The recorder was not placed on McBride's telephone and no telephone conversations were intercepted.

8. Background information assisting in further identifying Mr. Pappas is unknown at the present time.

9. Further reports will be submitted as this investigation continues.

Karl D. Kell

Karl D. Kell
Postal Inspector

LIMITED OFFICIAL USE

APPENDIX K

App. 4

DISTRIBUTION		CYS TO	U. S. POSTAL SERVICE CHIEF INSPECTOR'S DEPARTMENT		REPORT OF POSTAL INSPECTOR	
<input checked="" type="checkbox"/> Chief Inspector		<input checked="" type="checkbox"/>	TYPE OF REPORT		OFFICE:	CLASS. REFERENCES
<input type="checkbox"/> Operations, OMD/PAB			<input checked="" type="checkbox"/> PRELIM <input type="checkbox"/> FINAL		CHICAGO, ILLINOIS	
<input type="checkbox"/> Operations, Maint. Div.			<input type="checkbox"/> SPECIAL <input type="checkbox"/> SUPPLEMENTAL		DATE	CASE NO.
<input type="checkbox"/> Finance & Admin. OMC					October 3, 1973	275-11254-F
<input type="checkbox"/> General Counsel, Claims			SUBJECT			
<input type="checkbox"/> Money Order Division			MISCELLANEOUS (BRIBERY)			
<input type="checkbox"/> Regional Director			ALLEGED VIOLATORS: UNKNOWN STATE LEGISLATORS			
<input type="checkbox"/> Regional Counsel			ELECTRONIC SURVEILLANCE - REFERRAL TO CHIEF INSPECTOR, ORGANIZED CRIME DIVISION			
<input type="checkbox"/> Postal Data Center			<u>LIMITED OFFICIAL USE</u>			
<input type="checkbox"/> CI - Central Region		<input checked="" type="checkbox"/>				
<input type="checkbox"/> FBA by OLC Div.		<input checked="" type="checkbox"/>				
<input type="checkbox"/> File						
DATE OCT 4, 1973		INSTR. BY <i>[Signature]</i>		POSTAL INSPECTOR:		K. D. Kell ejc

POSTAL INSPECTOR IN CHARGE	Chicago, Illinois 60607
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1. Personal attention has been given this case by Postal Inspectors E. W. Greenan, J. A. Charlton, and Karl D. Kell, at Chicago and Springfield, Illinois, on various dates since July 30, 1973. Basis for this investigation is the request of Mr. Samuel K. Skinner, Chief, Special Investigation Unit, United States Attorney's Office, Chicago, Illinois, to Mr. M. J. McGee, Regional Chief Inspector, Central Region, Chicago, Illinois, through the Inspector in Charge at Chicago, Illinois. Reference is invited to the preliminary reports submitted August 31, 1973, September 18, 1973 and September 28, 1973.

2. This investigation concerns an alleged conspiracy to violate the Mail Fraud Statute and other federal laws, and involves a group of corporate officials of the ready-mix concrete and supply industry bribing various Illinois State Senators and Representatives in return for the passage of favorable legislation regarding an Increased Truck Weight Bill. PETER V. PAPPAS, the alleged conduit between the legislators and the ready-mix officials, has been arranging meetings in the Chicago area with, unknown to him, cooperating Government witnesses for the purpose of influencing the testimony of these prospective witnesses.

• • •

Chicago, Illinois

-2-

Case No. 273-11254-7

• • •

4. On September 26, 1973, Mr. Pappas advised, through his attorney, that there was to be a meeting in Chicago on September 27 between Peter V. Pappas and himself. Peter V. Pappas was to meet Pete Pappas at Chicago's O'Hare Airport and drive him to a meeting of the Central Motor Freight Association at the Conrad Hilton in downtown Chicago.

"DR BETH O'DW"

5. Mr. Pete Pappas, consenting adult, met with Mr. Peter V. Pappas at the departure pickup ramp at United Airlines, O'Hare Airport, Chicago, Illinois, on September 27, 1973, at approximately 8:10 a.m. Mr. Pete Pappas was equipped with a body tape recorder, ~~"DISLTON"~~ provided by the Internal Revenue Service, Internal Security Division, Chicago, Illinois. This recorder was activated through approximately 10:00 a.m. and was discontinued at Room 1447 of the Conrad Hilton Hotel in Chicago. At 11:40 a.m., Mr. Pappas returned to Room 1447 and was re-equipped with the same recording device. He then proceeded to the Haymarket Lounge where he met with Peter V. Pappas and ~~"DISLTON"~~. Mr. Pappas returned to Room 1447 at approximately 12:25 p.m. and met with Inspector James Charlton and Marcel D'Hooge, Internal Revenue Service.

• • •

6. At 5:43 p.m., Pete Pappas returned to Room 1447 and was again equipped with the ~~"DISLTON"~~. At 5:46 p.m., he left the room and returned at 7:15 p.m. As per the earlier agreement between Pappas, his attorney, and the U. S. Attorney, those present at this meeting and the contents of this meeting will remain unknown and sealed in the evidence locker at the Internal Revenue Service, 150 North Wacker, Chicago, Illinois.

LIMITED OFFICIAL USE

App. 6

Chicago, Illinois

-3-

Case No. 275-11254-F

7. "DELETION"

Background information regarding Peter V. Pappas has been provided in the earlier reports.

Chicago, Illinois

-4-

Case No. 275-11254-F

10. The monitoring and recording of the conversations referred to in this report have all been for the purpose of gaining information considered both vital to the alleged violations of the Mail Fraud and Bribery (ITAR) Statutes, and to gather additional evidence for a possible violation of the Obstruction of Justice Statute. Authorization has been received through the Inspector in Charge, Chicago, Illinois, from the Justice Department in Washington, D. C., to monitor and record the aforementioned conversations. The equipment used in this surveillance was used only in this authorized investigation with the monitoring at the request of the United States Attorney for the Northern District of Illinois. This surveillance is considered in the best interest of law enforcement.

11. Further reports will be submitted as this investigation continues.

K. D. Kell
K. D. Kell

Postal Inspector

APPENDIX L

App. 7

DISTRIBUTION	EVS TO	U.S. POSTAL SERVICE CHIEF INSPECTOR'S DEPARTMENT		REPORT OF POSTAL INSPECTOR	
		TYPE OF REPORT		OFFICE:	CLASS: REFERENCES
Chief Inspector	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> PRELIM <input type="checkbox"/> FINAL		Chicago, Illinois (1st CI)	
Operations, OMD/PAB	<input type="checkbox"/>	<input type="checkbox"/> SPECIAL <input type="checkbox"/> SUPPLEMENTAL		DATE	CASE NO
Operations, Maint. Div.	<input type="checkbox"/>			Oct. 18, 1973	275-11254-F
Finance & Admin. OMC	<input type="checkbox"/>	SUBJECT "LIMITED OFFICIAL USE"			
General Counsel, Claims	<input type="checkbox"/>	MISCELLANEOUS (Bribery)			
Money Order Division	<input type="checkbox"/>	ALLEGED VIOLATORS: Unknown State Legislators			
Regional Director	<input type="checkbox"/>	"ELECTRONIC SURVEILLANCE--REFERRAL TO CHIEF INSPECTOR, ORGANIZED CRIME DIVISION"			
Regional Counsel	<input type="checkbox"/>				
Postal Data Center	<input type="checkbox"/>				
CI - Central Region	<input checked="" type="checkbox"/>				
File	<input checked="" type="checkbox"/>				
OCT 24 1973		INITIALS W H M	POSTAL INSPECTOR:		E. W. Greenan

POSTAL INSPECTOR IN CHARGE	Chicago, Illinois
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1. Personal attention has been given this case on various dates, including October 14, 15, and 16, 1973 at Springfield, Illinois. The investigation concerns an alleged conspiracy to violate the mail fraud statute, IDAR bribery statutes, and possibly income tax statutes, by a group of corporate officials and businessmen who made cash payments to Illinois legislators for favorable consideration to legislation advantageous to the industry involved, ready-mix concrete and material supply companies. The United States Attorney, Northern District of Illinois, considered the mail fraud to be the principal offense and requested the Postal Inspection Service to conduct the investigation.

2. Request was made October 12, 1973 by ARS for authorization to use electronic surveillance equipment:

A. All electronic equipment was furnished by and controlled by Inspector Marcel DeHooge, Internal Revenue Service, who has been detailed to assist the investigation as a technical expert. During the surveillance described herein, it was used only in the authorized investigation. The sealed tapes involved remain in the custody of Mr. DeHooge, who when authorized, will make copies for use in preparation of transcriptions.

B. Copy of ARS request, submitted herewith, details the background data of this investigation, and the reason for the request; namely, to record discussions of a criminal act, pay-offs to legislators; to record discussions of a continuing conspiracy to obstruct justice by planning grand jury testimony which will continue to conceal the criminal act and will obstruct justice. On October 15, 1973 a supplemental request

Referral to J. Tappan 11/7/73

was made to include Peter V. Pappas, 405 East Blodgett, Lake Bluff, Illinois as a non-consenting subject of electronic surveillance.

- C. The electronic equipment used in this surveillance included three assemblies:

a. ~~REDACTED~~
"DELETION"

c. ~~REDACTED~~
"DELETION"

The tapes were sealed immediately after their removal from the equipment described above. Representative Peter Pappas, 2920 32nd Court, Rock Island, Illinois, the consenting individual, is the only party to the conversations presently identified.

- E. Conversations were recorded on Monday, October 15, 1973, from approximately 5:05 PM to 5:55 PM.

- F. The ~~REDACTED~~ "DELETION"
were placed on the consenting individual who went to the Mansion View Motel, 529 South Fourth Street, Springfield, Illinois to meet with other persons in a room not yet identified. The recording through the ~~REDACTED~~ to the ~~REDACTED~~ was made in ~~REDACTED~~ parked and/or being driven in the area of the motel. The Tandberg recorder was receiving in Room 300, Lincoln Tower Motel, 520 South Second Street, Springfield, Illinois (adjacent to the Mansion View Motel). Postal Inspector J. H. Rustad and Inspector Marcel Demooze attended the vehicle recording, checking mechanical features to determine an apparent successful recording operation. Postal Inspector E. W. Greenan attended the ~~REDACTED~~ "DELETION" in Room 300, Lincoln Towers Motel. The recordings were not monitored by listening to them, nor have they been heard by anyone. Information therein cannot be summarized or evaluated at this time.

App. 9

- 3 -

Case No. 275-11254-F

3.

"DELETION"

E. W. Greenan

E. W. Greenan
Postal Inspector

LIMITED OFFICIAL USE

APPENDIX M

App. 10

DISTRIBUTION		KEYS TO	U. S. POSTAL SERVICE CHIEF INSPECTOR'S DEPARTMENT		REPORT OF POSTAL INSPECTOR	
<input checked="" type="checkbox"/> Chief Inspector			TYPE OF REPORT		OFFICE: CLASS. REFERENCES	
<input type="checkbox"/> Operations, OMD/PAB			<input checked="" type="checkbox"/> PRELIM <input type="checkbox"/> FINAL		Chicago, Illinois (1st Cl)	
<input type="checkbox"/> Operations, Maint. Div.			<input type="checkbox"/> SPECIAL <input type="checkbox"/> SUPPLEMENTAL		DATE	CASE NO.
<input type="checkbox"/> Finance & Admin., OMC					Oct. 25, 1973	275-11254-F
<input type="checkbox"/> General Counsel, Claims			SUBJECT "LIMITED OFFICIAL USE"			
<input type="checkbox"/> Money Order Division			MISCELLANEOUS (Bribery)			
<input type="checkbox"/> Regional Director			ALLEGED VIOLATORS: Unknown State Legislators			
<input type="checkbox"/> Regional Counsel			'ELECTRONIC SURVEILLANCE--REFERRAL TO CHIEF INSPECTOR, ORGANIZED CRIME DIVISION'			
<input type="checkbox"/> Postal Data Center						
<input type="checkbox"/> CI - Central Region						
<input type="checkbox"/> P. B. by o/c Div.						
<input type="checkbox"/> File						
OCT 31 1973		INITIALS	POSTAL INSPECTOR:		Karl Kell E. W. Greenan	

POSTAL INSPECTOR IN CHARGE	Chicago, Illinois
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1. Reference is invited to preliminary reports dated October 3, 1973 and October 18, 1973 in which uses of electronic surveillance were detailed. At that time no summary or evaluation could be furnished; plea-bargaining with the consenting individual was incomplete and no monitoring or overhearing of the tapes was done. The investigation concerns an alleged conspiracy to violate the mail fraud statute, ITAR bribery statutes, and possibly income tax statutes, by a group of corporate officials and businessmen who made cash payments to Illinois legislators for favorable consideration to legislation advantageous to the industry involved, ready-mix concrete and material supply companies. The United States Attorney, Northern District of Illinois, considered the mail fraud to be the principal offense and requested the Postal Inspection Service to conduct the investigation.

2. Representative PETE PAPPAS (not Peter as referred to in report of October 18, 1973) has now finalized an agreement with James Thompson, United States Attorney, Northern District of Illinois, Chicago, Illinois. The previously sealed tapes are summarized as follows:

A. Recording on September 27, 1973 between 8:10 and 10:00 AM of a conversation between Pete Pappas and PETER V. PAPPAS during a ride between O'Hare Airport and the Conrad Hilton Hotel in downtown Chicago, Illinois. During this conversation, Peter V. Pappas told of being asked to resign from his position in the Office of The Secretary of State. Peter V. Pappas discussed that he needed money for legal fees. He also arranged a luncheon meeting with Pete Pappas and ROBERT CRAIG, an Illinois representative.

B. Recording on September 27, 1973 between 11:40 AM and 12:25 PM of a conversation between Pete Pappas, Peter V. Pappas and Robert Craig in the Haymarket Lounge of the Conrad Hilton Hotel, Chicago, Illinois. Peter V. Pappas discussed his possible actions; that he could deny receiving the money reportedly paid to him, or he could take the blame for the whole thing. Peter V. Pappas told them that his wife, Mary, had been subpoenaed. There was an unrelated discussion of Mrs. Robert Craig's health; then Peter V. Pappas left. Then Robert Craig said he had heard Peter V. Pappas was going to plead guilty and tell about the ready-mix industry fund. Mr. Craig said Peter V. Pappas had denied this to him prior to Pete Pappas joining the two. Robert Craig discussed with Pete Pappas, that he, Pete Pappas, should talk to Walter Hoffelder to tell him they were aware he was going to sign a note for a \$25,000 defense fund for Peter V. Pappas, and to assure him the four concerned legislators would come up with \$5,000 each.

C. Recording on September 27, 1973 between 5:46 PM to 7:15 PM of a conversation between Pete Pappas and Walter P. Hoffelder in the International Bar Room of the Conrad Hilton in Chicago; Mr. Hoffelder was told the legislators were going to help Peter V. Pappas in his defense fund. Mr. Hoffelder said he would take Peter V. Pappas to "his" bank the next day and arrange for him to get the money he needed.

D. Recording on October 15, 1973 from approximately 5:05 PM to 5:55 PM of a conversation between ~~_____~~ and ~~_____~~ in the area of the Mansion View Motel, Springfield, Illinois, and subsequent conversation between Course, Pappas, and Peter V. Pappas in a room at the Mansion View Motel, Springfield, Illinois. Initially Course commented that he made a mistake and gave Peter V. Pappas a list of legislators to whom he had given money. There was a discussion of 5, 5, 5, and 5 totalling 20, not 30. Then Peter V. Pappas joined them and they went to Peter V. Pappas' room. There was a general discussion of the ready-mix bill, and Peter V. Pappas said there never was \$30,000.

3. The brief summaries above are from a partial playback of copies of the tapes, and interview of Pete Pappas. To expedite their use in debriefing Pete Pappas, the copies of the tapes were returned to the office of the United States Attorney, NDI, Chicago, Illinois for transcribing. A more detailed summary utilizing the tape transcripts will be included in a future report.

4. Background information has been furnished on Peter V. Pappas, ~~Pete Pappas and Robert Craig. Kenneth W. Course resides at~~ "DELETION"
~~_____~~, and is a
 senator representing the 17th District in the Illinois legislature.
 Walter P. Hoffelder is a former state senator, and a former chairman
 of the Motor Vehicle Laws Commission of the Illinois Legislature; he
 resides at ~~_____~~ No other
 background information is known. "DELETION"

5. The monitoring and recording of the conversations described
 above have furnished information considered vital in development
 of evidence of the alleged violations of the Mail Fraud and Bribery
 (iFAR) Statutes, and also evidence of possible violations of
 Subornation of Perjury and Obstruction of Justice Statutes. Authoriza-
 tion was received through the Inspector In Charge, Chicago Division,
 from the Department Of Justice, Washington, D.C., to record the above
 conversations. The equipment used in the surveillance was used only
 in the authorized investigation; the recordings were at the request
 of the United States Attorney, Northern District of Illinois, Chicago.
 The surveillances were considered to be in the best interest of law
 enforcement.

Karl Kell
 Karl Kell

E. W. Greenan

E. W. Greenan
 Postal Inspectors

APPENDIX N

App. 13

Address any reply to: P.O. Box 1193, Chicago, Ill. 60690

Department of the Treasury

District Director

Internal Revenue Service

JUN 2 1978

In reply refer to:

A:DO

► Mr. Peter V. Pappas
33 N. LaSalle Street - Suite 2412
Chicago, Illinois 60602



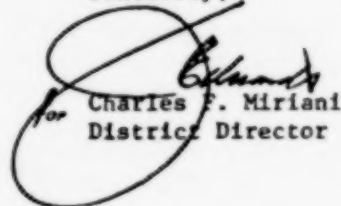
Dear Mr. Pappas:

This is in response to your May 11, 1978 Freedom of Information Act request. In that letter you ask for copies of various documents prepared by Internal Revenue Service Inspector Marcel D'Hooge.

A search of the Chicago District revealed no such records within our control. However, since the documents requested would, if they exist, be controlled by the Office of the Regional Inspector, a copy of your request has been forwarded for their response.

I hope you find this action to be of assistance to you. If you have any questions regarding this matter, you may contact Mr. Vince Killen at 886-4804.

Sincerely,


for Charles F. Miriani
District Director

APPENDIX O

App. 14

Internal Revenue Service

Department of the Treasury

Assistant
Commissioner
(Inspection)

Washington, DC 20224

Mr. Peter V. Pappas
Suite 2412
33 North LaSalle Street
Chicago, IL 60602

JUL - 5 1978

Dear Mr. Pappas:

This is in response to your request for information under the Freedom of Information Act.

Inspection records show that the Internal Revenue Service did not conduct an independent investigation of you in 1973 as you suggest in your letter. We did, however, provide electronic surveillance equipment and technical assistance to the U.S. Postal Service. The resulting original tapes, copies and transcriptions, together with logs of the events were sealed and placed in an evidence locker at the suggestion of the U.S. Attorney.

Subsequently on February 2, 1976, these documents were turned over to Postal Inspector J. A. Charlton.

The Internal Revenue Service does not have in its custody any of the documents you request.

Very truly yours,



for W. A. Bates

(emphases added)

APPENDIX P

App. 15

Washington, DC 20224

Mr. John C. Keeney
Acting Assistant Attorney General
Criminal Division
Department of Justice
Washington, D.C. 20530

Attn: Thomas J. McTiernan
Chief, Fraud Section

Person to Contact:
Mr. Philip Litman
Telephone Number:
184-6732
Refer Reply to:
CP:I:T
Date:
APR 10 1975

CRIMINAL DIVISION

APR 14 1975

Received Fraud Section

Dear Mr. Keeney:

In Re: CAPUZI, Louis F.
COURSE, Kenneth W.
CRAIG, Robert
HANAHAN, Thomas J.
MARKERT, Louis

NORTH, Frank P.
SHEAHEN, Francis
WALKER, Jack E.
WALL, John F.
PAPPAS, Peter V.

RECEIVED

APR 14 1975

CRIMINAL DIVISION

On March 31, 1975 you requested that the Department of Justice be advised whether the Internal Revenue Service had conducted any electronic surveillance (lawful or unlawful) of the subject-named individual(s) or his (their) premises. You further requested that this reply include any surveillances where one of the parties may have consented to the surveillance.

The electronic surveillance files of the Internal Revenue Service are indexed under the names of individuals who were the subjects of electronic surveillance, attempted electronic surveillance, or on whom leads were obtained as a result of electronic surveillance. Only in those instances where a surveillance was attempted or conducted at premises where the identity of the individuals surveilled could not be ascertained are our files indexed by address or other geographical location.

Our files disclose that none of the individuals named above were the subject of any electronic surveillance conducted by the Intelligence Division. No conversations in which any of the above participated were intercepted, overheard, or recorded through electronic surveillance conducted by the Intelligence Division.

P.A.O.
CONFIDENTIAL
Fraud Sec.

App. 16

-2-

Mr. John C. Keeney

To our knowledge no state or local authorities have conducted any electronic surveillance on this (these) individual(s), nor was any suggestion made by us to initiate one.

We have also searched our files for any electronic surveillance conducted at the addresses set forth in your request. The results of this search were negative.

The Director, Internal Security Division, Inspection Service, advises that the Inspection Service has conducted no surveillance on the individuals named in your request and they have no indication of any surveillance conducted at the addresses set forth in your inquiry.

If any additional information concerning this matter is required, please contact this office.

Sincerely yours,



John J. Olaszewski
Director, Intelligence Division

APPENDIX Q

App. 17



CHIEF POSTAL INSPECTOR
Washington, D.C. 20260

April 14, 1975

Mr. John C. Keeney
Acting Assistant Attorney General
Criminal Division
Department of Justice
Washington, D. C. 20530

CRIMINAL DIVISION

APR 16 1975

Received Fraud Section

Your reference: Electronic Surveillance
United States v. Craig, et al.,
No. 74 CR 877 and 879
JCK:TJM:IKJ:kat
36-23-641

RECEIVED

APR 16 1975

CRIMINAL DIVISION

Dear Mr. Keeney:

Your letter dated March 31, 1975, and related attachment, copies attached, requested information concerning possible use of electronic surveillance by the Postal Inspection Service.

A thorough search of our records disclosed no electronic surveillance was conducted on Louis F. Capuzi, 710 N. Rockwell, Chicago, Illinois, Thomas J. Hanahan, 2012 W. Grandview, McHenry, Illinois, Francis Sheahan, 1740 Ravine Terrace, Highland Park, Illinois and John F. Wall, 2874 Hillock Avenue, Chicago, Illinois, or any of the above addresses.

Oral or telephone conversations of the following defendants were monitored and recorded with the prior consent of one of the parties to the conversations during the Inspection Service investigation which led to the indictments:

Kenneth W. Course

3413 Armitage Avenue
Chicago, Illinois

Robert Craig

1628 Franklin
Danville, Illinois

Frank P. North

2520 Harlem Boulevard
Rockville, Illinois

Jack E. Walker

18018 Arcadia Avenue
Lansing, Illinois

Peter V. Pappas

405 Blodgett Road
Lake Bluff, Illinois

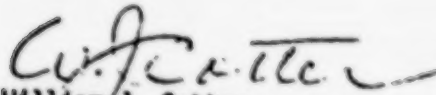
36-23-641	
DEPARTMENT OF JUSTICE	RECORDED
APR 15 1975	
CRIMINAL DIV.	

App. 18

All of the consensual type monitoring was conducted in accordance with existing Attorney General guidelines covering this type of electronic surveillance. Assistant U. S. Attorneys, Samuel K. Skinner, James F. Holderman and John Gleason, United States Attorney's Office, Chicago, Illinois, are aware of the consensual electronic surveillance conducted by the Inspection Service.


Records relating to the electronic surveillance are in the possession of and available through Postal Inspector James A. Charlton, Chicago, Illinois 60607, who is one of the investigating Inspectors assigned to the case.

Sincerely,



William J. Cotter
Chief Inspector

Attachments



APPENDIX R

App. 19

USPS ISHQ

WU 1335 1-021033A269 09/26/73

TJX USPS ISCHA CGO

SUSPECTED DUPLICATE

01 CHICAGO, IL 09-26-73

TWX 7102220165 USPS ISHQ

CHIEF POSTAL INSPECTOR, WASHINGTON, D. C.

FROM INSPECTOR IN CHARGE, CHICAGO, IL

TO CHIEF POSTAL INSPECTOR, WASHINGTON, D. C.

TO REGIONAL CHIEF INSPECTOR, CENTRAL, CHICAGO, IL

01 9-26-73

SUBJ: CHICAGO, IL CASE NO. 275-11254-F

THIS INVESTIGATION CONCERNS AN ALLEGED CONSPIRACY TO VIOLATE THE
MAIL FRAUD STATUTE AND OTHER FEDERAL LAWS, AND INVOLVES A GROUP
OF CORPORATE OFFICIALS OF THE READY MIX CONCRETE AND SUPPLY INDUSTRY
BRIBING VARIOUS ILLINOIS STATE SENATORS AND REPRESENTATIVES IN
RETURN FOR FAVORABLE CONSIDERATION AND PASSAGE OF LEGISLATION
REGARDING AN INCREASED TRUCK WEIGHT BILL. PETER V. PAPPAS, 405
EAST BLODGETT AVE., LAKE BLUFF, IL, AN ATTORNEY WITH OFFICES AT
33 NORTH LA SALLE ST., CHICAGO, IL, SSN: 329-18-2512, A FORMER
EMPLOYEE OF THE OFFICE OF THE SECRETARY OF STATE, FOR THE STATE OF
ILLINOIS, THE ALLEGED CONDUIT BETWEEN THE LEGISLATORS AND THE READY
MIX OFFICIALS, HAS BEEN ARRANGING MEETINGS IN THE CHICAGO AREA WITH,
UNKNOWN TO HIM, COOPERATING GOVERNMENT WITNESSES FOR THE PURPOSE OF
INFLUENCING THE TESTIMONY OF THESE PROSPECTIVE WITNESSES. MR. PETE

73 SEP 26 PM 2:01

App. 20

~~PAPPAS, 2420 32ND ST, CT., MOLINE, IL, A STATE REPRESENTATIVE, NO~~
RELATION TO PETER V. PAPPAS, ALSO A SUBJECT OF THIS INVESTIGATION,
HAS ~~CONSENTED~~ TO THE MONITORING AND RECORDING OF CONVERSATIONS
BETWEEN HIMSELF AND PETER V. PAPPAS WHICH WILL TAKE PLACE AT A
MEETING IN THE CHICAGO AREA ON 9-27-73. AUTHORIZATION IS REQUESTED
TO MONITOR AND RECORD THE CONVERSATION USING A TRANSMITTER, RECEIVER,
AND RECORDER. THE MONITORING IS FOR THE PURPOSE OF GAINING INFORMATION
VITAL TO THE INVESTIGATION AND POSSIBLE EVIDENCE OF A VIOLATION OF
THE OBSTRUCTION OF JUSTICE STATUTE. THE MONITORING IS AT THE REQUEST
OF THE UNITED STATES ATTORNEY, NORTHERN DISTRICT OF ILLINOIS, CHICAGO
IL, AND IS CONSIDERED IN THE BEST INTEREST OF LAW ENFORCEMENT. IT IS
REQUESTED THAT AN AUTHORIZATION BE GRANTED FOR A PERIOD, INCLUDING
SEPTEMBER 26, 1973, THROUGH OCTOBER 26, 1973, IN THE EVENT OF CONTINUED
OR POSTPONED MEETING.

END, MS

1303 EST

Cys to: Fraud Rm 3775
Mr Carter Rm 3573

UGPS ISHQ

APPENDIX S

App. 21

'73 SEP 26 PM 5:36

USPS ISCR CGO

USPS ISHQ
FM CHIEF POSTAL INSPECTOR
TO REG CHIEF INSP CENTRAL REGION
TO INSP IN CHARGE CHICAGO DIVISION
BT
015 9-26-73 530P EDT

CASE NO. 275-11254-F CHICAGO, ILL

RE: YOUR TXN 01 9-26-73, EMERGENT APPROVAL FOR THE USE OF ELECTRONIC SURVEILLANCE EQUIPMENT TO RECORD, WITH THE CONSENT OF A PARTY, CONVERSATIONS BETWEEN PETE PAPPAS AND PETER V. PAPPAS IN THE CHICAGO AREA IS GRANTED FOR THE PERIOD 9-26-73 TO 9-29-73. FORMAL REQUEST WILL BE MADE TO THE JUSTICE DEPT. FOR AN ADDITIONAL 30 DAYS. YOU WILL BE ADVISE WHEN FORMAL APPROVAL IS RECEIVED FROM DEPT. OF JUSTICE.
END:LO
BT

Cys to: Fraud Rn 3775
O. C. Rn 3770 ✓

NNNN
USPS ISCR CGO

APPENDIX T

App. 22

USPS ISHQ

FM INSPEC*

USPS ISHQ

USPS ISCHA CGO

FM INSPECTOR IN CHARGE, CHICAGO, IL
TO CHIEF POSTAL INSPECTOR, WASHINGTON, DC

ATTENTION: ORGANIZED CRIME DIVISION

02 09-27-73 2:15 CST

CASE NO 275-11254-F

73 SEP 27 PM 3:23

REFERENCE IS INVITED TO TWX OF 9-26-73 REQUESTING EMERGENT
APPROVAL FOR THE USE OF ELECTRONIC SURVEILLANCE EQUIPMENT TO
RECORD, WITH THE CONSENT OF ONE PARTY, CONVERSATIONS BETWEEN
PETE PAPPAS AND PETER V. PAPPAS IN THE CHICAGO AREA
BEGINNING 9-27-73. EMERGENT AUTHORITY HAS BEEN GIVEN THROUGH

THE INSPECTOR IN CHARGE, CHICAGO, IL, TO ENLARGE THE

AUTHORIZATION OF THIS SURVEILLANCE TO INCLUDE ~~DELETION~~

~~DELETION~~ AS AN ADDITIONAL
NON-CONSENTING PARTY, AND ANY OTHER PERSON OR PERSONS WHOSE

NAMES ARE NOW UNKNOWN WHO MAY BE PRESENT AT ANY FUTURE MEETINGS. ~~Delet~~

THIS WAS NECESSITATED BY A SURPRISE APPEARANCE OF ~~DELETION~~ AT A

MEETING ON THIS DATE. AUTHORIZATION IS REQUESTED TO MONITOR _____

App. 23

AND RECORD THESE CONVERSATIONS USING A TRANSMITTER RECEIVER AND RECORDER. THE MONITORING IS FOR THE PURPOSE OF GAINING INFORMATION VITAL TO THE INVESTIGATION AND POSSIBLE EVIDENCE OF THE VIOLATIONS OF THE OBSTRUCTION OF JUSTICE STATUTE. THIS MONITORING IS AT THE REQUEST OF THE UNITED STATES ATTORNEY, NORTHERN DISTRICT OF ILLINOIS, CHICAGO, ILLINOIS AND IS CONSIDERED IN THE BEST INTEREST OF LAW ENFORCEMENT. IT IS REQUESTED THAT THIS AUTHORIZATION BE GRANTED FOR A PERIOD, INCLUDING 9-27-73 THROUGH AND INCLUDING 10-26-73, IN THE EVENT OF CONTINUED OR POSTPONED MEETINGS. THE NAMES OF ANY OTHER PERSONS PRESENT AT ANY FUTURE MEETINGS WILL BE FURNISHED IN THE APPROPRIATE REPORT.

END, JW

USPS ISHQ

CE TO: FRAUD BR RM 3775
MR. CARTER RM 3573
ORGANIZED CRIME RM 3765 ✓

APPENDIX U

App. 24

Letter 1-2



CHIEF POSTAL INSPECTOR
Washington, DC 20260

September 27, 1973

Honorable Elliot L. Richardson
Attorney General
Department of Justice
Washington, D. C. 20530

Reference: The memorandum from your office dated October 16, 1972: "Monitoring Private Conversations With The Consent Of a Party."

Dear Mr. Attorney General:

Emergent approval has been granted for the use of electronic surveillance equipment to monitor and record non-telephone conversations in an investigation being conducted by Postal Inspectors at Chicago, Illinois, for the period September 26, 1973 to September 29, 1973. The investigation concerns an alleged conspiracy to violate the Mail Fraud Statute, and involves a group of corporate officials bribing legislators to influence the passage of favorable legislation. Possible defendants in the case have been arranging meetings at Chicago for the purpose of influencing the testimony of prospective witnesses. A meeting was to be held at Chicago between State Representative Pete Pappas and Peter V. Pappas, the non-consenting party (no relation to Representative Pete Pappas).

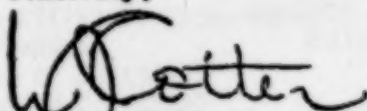
Additional information requested by your memorandum:

1. Monitoring is desired to obtain evidence in compliance with the desires of the United States Attorney's Office, and to protect the safety of the consenting party. A transmitter and microphone will be concealed on the informant and a receiver and recorder will be located nearby. The equipment is expected to be used in an as yet undetermined location in Chicago, to cover an expected meeting on or after September 26, 1973. Approval is requested for an additional 30 days to monitor and record conversations for the period September 30 through October 30, 1973.

App. 25

2. Representative Pete Pappas will meet with Peter V. Pappas for the purpose of gaining information vital to the investigation and possible evidence of a violation of the Obstruction of Justice Statute.
3. It is our considered judgement that monitoring is warranted in the interest of effective law enforcement.

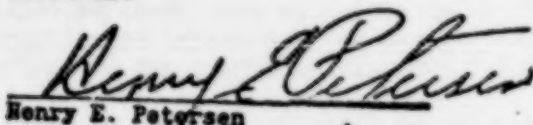
Sincerely,



William J. Cotter
Chief Inspector

Approval recommended.
Xjm
9/27

APPROVED:


Henry E. Petersen

Date:

9/27/73

APPENDIX V

App. 26

73 SEP 27 PM 5:23

USPS ISCHB CGO

USPS ISHQ

OIO WASHINGTON D C SEPT SEPT 27 1973 515PM
FM CHIEF INSPECTOR U. S. POSTAL SERVICE WASH D C
TO REGIONAL CHIEF INSPECTOR CENTRAL REGION
INSPECTOR IN CHARGE CHICAGO DIVISION

CASE NO. #275-11254-FCHICAGO, IL
AUTHORIZATION HAS BEEN RECEIVED FROM THE JUSTICE DEPART. TO MONITOR
AND RECORD CONVERSATIONS BETWEEN PETE PAPPAS AND PETER V. PAPAS FROM
SEPT. 30 THROUGH OCT. 30, 1973.
END CC

USPS ISCHB CGO

USPS ISHQ

CFYS TO FRAUD IN 3775
O.C. IN 3771 ✓

APPENDIX W

App. 27



ASSISTANT POSTMASTER GENERAL
INSPECTION SERVICE

Washington, DC 20260

*Collect
10/27/73*

*10/1/73
275-11254 F*

Honorable Elliot L. Richardson
Attorney General
Department of Justice
Washington, D.C. 20530

Reference: The memorandum from your office dated
October 16, 1973: "Monitoring Private
Conversations With The Consent Of A
Party."

Dear Mr. Attorney General:

Reference is made to my letter dated September 27, 1973, copy
attached. Due to a surprise appearance by Robert Craig at a
monitored meeting between Pete Pappas and Peter V. Pappas on
September 27, 1973, emergent approval has been given through
the Inspector in Charge, Chicago, Illinois, to enlarge the
authorization of this surveillance to include Robert Craig as
as additional non-consenting party. All other circumstances
outlined in the September 27, 1973 letter are similar.

Advance approval is requested to monitor and record conver-
sations between the consenting party, Pete Pappas and the
non-consenting parties, Peter V. Pappas and Robert Craig,
during the period October 2, 1973 through October 26, 1973,
in the event of continued or postponed meetings.

It is our considered judgment that monitoring is warranted
in the interest of effective law enforcement.

Sincerely,

W. J. Cotter
William J. Cotter
Chief Inspector

*Approved 10/1/73
5:10 PM - (A.A.G. being
absent from D.C.)*

S. J. Maroney